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WEEKLY REPORT



THE SITUATION IN SOUTH VIETNAM

12 May 1965

**INTELLIGENCE AND REPORTING SUBCOMMITTEE OF THE INTERAGENCY
VIETNAM COORDINATING COMMITTEE**

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State Department review completed

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ARMY and DIA review(s) completed.

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THE SITUATION IN SOUTH VIETNAM
 (6 May - 12 May 1965)

C O N T E N T S

	<u>Page</u>
THE WEEK IN PERSPECTIVE	iii
Map, South Vietnam, following page	
I. SITUATION WITHIN SOUTH VIETNAM	1
A. POLITICAL SITUATION	1
<p>Dissolving of Armed Forces Council strengthens government image (p. 1); Gen. Thieu's resignation delays cabinet reshuffle (p. 1); Premier Quat retains Thieu, with added powers (p. 1); Resolution shows Catholic concern (p. 2); Stiff sentences for coup leaders alarm Catholics (p. 2); Buddhists appeal for 15 May truce (p. 3); "Big" Minh turned back from Vietnam (p. 3); New decrees modify provincial budget funding (p. 3).</p>	
B. MILITARY SITUATION	5
<p>Viet Cong activity takes sharp jump (p. 5); Several large attacks reported during week (p. 5); Communist force buildups indicated (p. 5); Government activity shows little change (p. 6); Regional Force unit routs enemy (p. 6); Government casualties rise, Viet Cong losses decline (p. 6).</p>	

i

25X1

~~SECRET~~



Page

C. RURAL RECONSTRUCTION

7

Two corps areas show progress in April (p. 7); First regional agricultural conference held (p. 7); Model hamlet schools established in Hop Tac zone (p. 7); US Embassy tests province team chief plan (p. 8); Returnees to government increase to new record (p. 8).

II. THIRD COUNTRY DEVELOPMENTS

9

25X1
25X1



French cultural activities halted by GVN (p. 9);

25X1

Philippine government discusses Vietnam force (p. 10); New Zealand asked for troops (p. 11); Japanese study Southeast Asia aid plan (p. 11); Netherlands, Ecuador offer help (p. 11).

25X1

III. DEVELOPMENTS IN THE BLOC

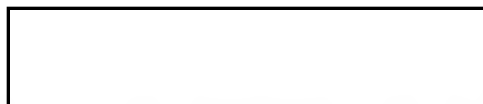
12

Soviet-North Vietnam relations grow warmer (p. 12); Soviet officials express support for DRV (p. 12); Chinese attack Soviet leaders, make first mention of negotiations for Vietnam (p. 13); Communist fighters spotted at second airfield (p. 13); No missiles noted in DRV (p. 14).

The Weekly Report on the Situation in South Vietnam is based on contributions from CIA, DIA, and INR edited and published by CIA without final coordination. A fully coordinated Monthly Report is disseminated the first Friday of every month.

ii

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~~SECRET~~THE WEEK IN PERSPECTIVE

Premier Quat has strengthened his hand by obtaining the self-dissolution of the Armed Forces Council as a potential rival authority. However, the proffered resignations of military ministers from his cabinet, just as he was about to reshuffle several civilian ministries, confronted him with new problems. These difficulties may be resolved by his reported decision to downgrade the title and authority of Commander in Chief "Little" Minh, and to retain General Thieu as defense minister with increased responsibilities.

Although retention of both Minh and Thieu should serve to mitigate Catholic alarm over a Buddhist-inspired purge, a recent Catholic resolution charging the government with bowing to thinly-disguised Communist pressure reflects heightened religious tension. The stiff sentences handed down to instigators of the Catholic-oriented February coup attempt, and a new Buddhist appeal for a military cease-fire on Buddha's birthday on 15 May may stimulate renewed coup plotting in Catholic circles. Concern that the return of former junta leader General "Big" Minh from "exile" in Bangkok might encourage further political intrigues apparently prompted Quat and his top generals to order air force planes to turn back a commercial aircraft bringing Minh to Saigon on 12 May.

Increasing levels of Communist-initiated military and terrorist actions may represent a return to a more normal level after a two month lull. The Viet Cong at this stage could be testing US and Vietnamese reaction capabilities and probing for weak spots in anticipation of gradually intensifying the war. They may be equally prepared to increase the tempo of their operations or to backoff if resistance is substantially stiffened or if they suffer high losses.

iii

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I. THE SITUATION WITHIN SOUTH VIETNAM

A. POLITICAL SITUATION

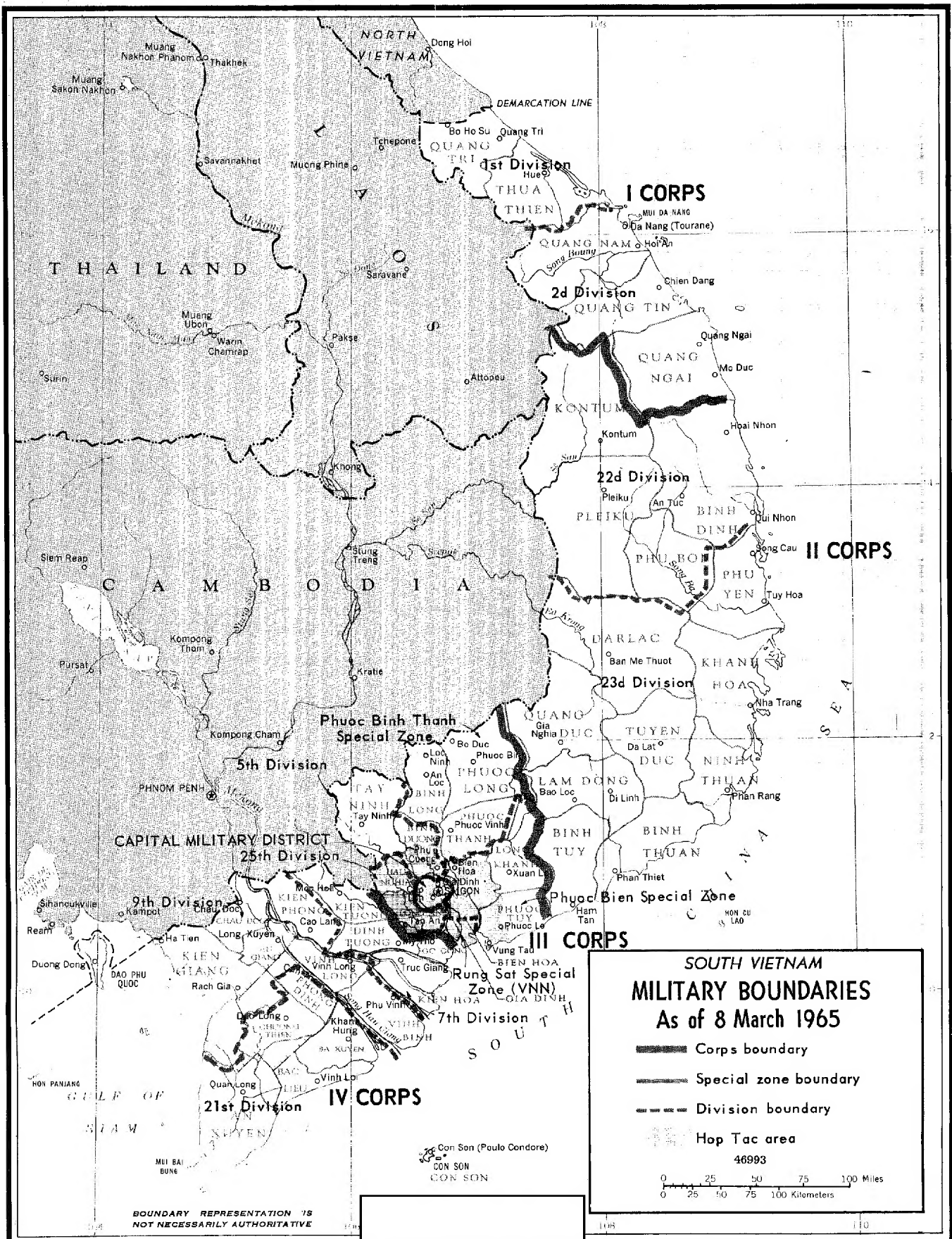
1. Premier Quat's success in persuading the Armed Forces Council (AFC) to dissolve itself by unanimous vote on 5 May appears to have strengthened the government's image and authority. The AFC, in announcing its decision, expressed its confidence in the government's performance to date, implying that military intervention in the political scene was not now required. Accounts of the AFC meeting indicated no serious opposition to the Council's dissolution, but some discussion of the fact that, without the AFC, the government lacked a legal foundation. The AFC communique, however, declared that earlier Council decrees setting up the Quat government and the National Legislative Council remain in effect.

2. General Thieu, the AFC secretary-general, announced in an accompanying statement that he was submitting his resignation as vice premier and defense minister in the government, and indicated that the two other military ministers in the cabinet would also offer to resign. This move, ostensibly an AFC decision to give the premier a free hand on cabinet appointments, seems to have caused a further delay in Quat's plans for a cabinet reshuffle involving three to six civilian ministers. Thieu's move may also have been intended to force a decision by Quat on the premier's projected military command reorganization. There were indications that Thieu aspired to replace General "Little" Minh as commander in chief, whereas Quat, while hoping to use Thieu as his top military officer, had envisaged both dissolution of the AFC and abolition of the military position of commander in chief as key steps in consolidating civilian authority.

3. Quat informed Ambassador Taylor on 11 May that he had resolved his problem by obtaining Thieu's agreement to stay on as defense minister, but with increased responsibilities; powers absorbed from

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the ministry by General Khanh as commander in chief would be restored. The position of commander-in-chief would be abolished, and General Minh would be asked to fill the top staff post with the title of chief of the General Staff. Quat, who evidently anticipates no effective opposition from Minh, now expects to announce these and the projected cabinet changes by the end of this week. Retention of both Minh and Thieu, who are Catholics, should serve to ease, although probably not to dispel, apprehension in Vietnamese Catholic circles that Quat, under Buddhist prodding, is moving to purge Catholics from influential government positions.

4. Catholic concern was most recently manifested in a resolution issued on 9 May by the "Greater Unity Force," one of two new organizations formed by militant Catholic refugees from North Vietnam. Citing reports, which have been denied, that civilian Vice Premier Tuyen made contact with neutralist circles in Paris at the start of his goodwill mission to Africa last month, the resolution accused the government of weakening its anti-Communist effort under "pressure from pro-Communists disguised as politicians." It also charged that strong "nationalists and anti-Communists" were being removed from the government and armed forces.

5. The immediate cause of increased Catholic alarm may have been the stiff sentences handed down on 7 May by a Buddhist-oriented military tribunal to officers accused of involvement in the unsuccessful coup attempt of 19 February, for which there was considerable Catholic sympathy. Three of the coup leaders, Colonel Pham Ngoc Thao, General Lam Van Phat, and a civilian, received death sentences in absentia; of a total of 45 defendants, only five were acquitted, and the remainder received penalties ranging from life imprisonment to several months' detention and dismissal from the armed forces. The sentences were deemed particularly harsh in view of the defense argument that the coup had merely sought to oust General Khanh, something the AFC itself had done after quashing the coup.

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6. An appeal by the Buddhist hierarchy on 9 April for a 24-hour "cessation of attacks" by both sides in connection with Buddha's birthday celebrations on 15 May may further provoke the Catholics. Buddhist leader Tri Quang told Embassy officers that the appeal was not for a complete cease fire, and that he did not expect it to be heeded; he added, however, that Buddhist gratitude would be earned if the appeal drew any response. Quang seemed aware of the political problems the appeal could create for the Quat government, and gave an impression that it may have been partly intended to force a confrontation between Quat and the Catholics, whom Quang suspects of seeking to regain their former influence. Government authorities indicate that they plan to take no official position on the appeal, unless forced to do so, but they are apparently taking informal soundings on Buddhist attitudes and reactions.

7. A commercial plane bringing former junta leader General "Big" Minh to Saigon from Bangkok, where he has been in "exile" after being ordered abroad by General Khanh, was turned back on 12 May by South Vietnamese air force planes. Premier Quat has expressed fear that Minh's presence in Vietnam, even as a civilian, could be exploited by military officers determined to continue political intrigues, but Quat's efforts to dissuade Minh from returning through personal representations by Foreign Minister Do were unsuccessful. The last-minute measures taken to prevent Minh's re-entry apparently resulted from the stand of the military, including both "Young Turk" generals and top staff officers, that they would not tolerate Minh's return.

Economic Situation

8. Prime Minister Quat has signed decrees putting into effect a modified system for funding provincial budgets. The new procedure includes an integrated regular and provincial reconstruction budget which is funded directly from the Central Budget Office. Integrated budgets for all 45 provinces and for the cities of Da Nang and Vung Tau have been approved,

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and one-third of the annual budgeted funds already have been released to the provinces. All provincial budget and finance officers have been called to Saigon and briefed on the new system. The new procedures will improve the financing of provincial reconstruction activities and will make it possible for province chiefs to respond quickly to provincial needs.

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B. MILITARY SITUATION

1.. Viet Cong terrorist and military actions increased sharply during the past week, both in number and intensity. The most significant increase was in the number of large-scale attacks and acts of sabotage against land lines of communications. Enemy activities showed their greatest intensification in the delta provinces and in the Hop Tac zone surrounding Saigon and its periphery. Despite the heightened level of activity, the Viet Cong still appeared reluctant to engage regular government forces.

Several large Viet Cong attacks were reported during the week. In normally quiet Lam Dong Province, Viet Cong companies attacked a hamlet and an outpost in separate attacks, killing 23 and capturing 51 weapons. About 65 Vietnamese paramilitary force personnel were reported missing. In the Hop Tac zone, a large coordinated Viet Cong operation was directed principally against military targets in Hau Nghia and Long An Provinces. Activity north and east of Saigon also picked up, with attacks and ambushes reported in Long Khanh and Phuoc Long Provinces. On the night of 10-11 May, an estimated three Viet Cong battalions attacked the Phuoc Long provincial capital of Song Be and its airfield. The Communists penetrated friendly positions, did considerable damage to the sector advisor and MACV compounds, and captured two armored cars. Despite the penetration, friendly forces held their positions and drove the enemy from the town. Preliminary casualty reports state friendly casualties as 32 killed (five US) and 79 wounded (13 US). Viet Cong casualties are 50 killed (body count) and an unconfirmed estimate of 120 killed by air strikes. In An Xuyen Province, an estimated Viet Cong battalion ambushed four separate friendly patrols, killing 37 and wounding 28. Viet Cong casualties in this engagement are unconfirmed but are estimated at 153 killed, primarily by air strikes.

The Viet Cong are apparently continuing to position forces. In Thua Thien Province, COMUSMACV indicated a Viet Cong buildup in a secret base area

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22 miles west of the Phu Bai airstrip. A Viet Cong buildup was also reported in southern Quang Tin Province. According to COMUSMACV, a persistent spate of unconfirmed reports and sighting of large units, possibly main force, in Binh Dinh, Phu Bon, and Darlac provinces indicates a possible enemy concentration there. This week's intense activity has occurred in provinces that were normally quiet, suggesting a Viet Cong attempt to divert government forces from their normal operating areas, e.g. the Hop Tac zone. The high incidence of railroad sabotage in Binh Tuy and Binh Thuan provinces suggests the possibility that the Communists may be establishing a supply corridor in this area.

2. Operationally, there was little change in the number and intensity of government-initiated military activity. There was a minor decrease in the number of operations conducted as well as the number in contact with the Viet Cong. COMUSMACV reports that an advisory effort is being made to increase the number of government-initiated operations on the basis that aggressive action could result in preventing attacks by the Viet Cong.

One significant government action which reflected the overall operational pattern was an attempted Communist ambush of a Regional Force company. One small company encountered a superior enemy force of approximately four companies. Prompt reinforcement by regular forces, plus effective air support, proved decisive. One Regional Force company overran a Viet Cong roadblock, panicking the enemy. The Communists were then overtaken on foot and were engaged in hand-to-hand combat. A captured Viet Cong company commander admitted that the initial breakthrough of the roadblock caused panic to spread among the Viet Cong force.

3. Government casualties rose this week, principally because of the sharp increase of enemy large-scale attacks. Total personnel casualties increased to 704 (197 KIA) from 578 (189 KIA) last week. Communist personnel casualties declined to 458 (367 KIA) from 577 (415 KIA). Government weapon losses increased to 271 from 122 last week, while the Viet Cong lost 127 as compared to 503 the previous week.

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C. RURAL RECONSTRUCTION

1. An analysis completed by MACV during the past week revealed progress in rural reconstruction in the III and IV Corps zones during the month of April, but I and II Corps showed some retrogression. The most encouraging progress continued to be made in the Hop Tac zone where 40 additional hamlets came under increased government control. Approximately 9.6 million people, or 74.6 percent of the rural population of South Vietnam were reported as living in areas under some degree of government control. The Viet Cong maintain control over an estimated 3.1 million people or 24.3 percent of the rural population. The remaining one percent live in contested areas.

2. A Montagnard Agricultural Conference, the first of five regional agricultural meetings, was held at Dalat 29 April - 2 May, attended by 100 agricultural officials from seven highland provinces, plus 40 from Saigon including the agricultural minister, his cabinet directors, and chiefs of services. The minister of agriculture announced his policy of giving priority to Montagnard problems and directed the land office to grant to tribes title of ownership to land they are presently farming. He also ordered the Director of Forestry to permit tribesmen to cut timber from government forests both for their own use and for cash sales. The second regional agricultural meeting is being held at Hue 11-14 May.

3. Model hamlet schools are being established in each of the Hop Tac provinces. The completed models in Bien Hoa and Phuoc Tuy Provinces have been visited by all school administrators and teachers in the respective provinces. Brochures are being distributed to each provincial education office illustrating what can be accomplished in each hamlet school with the aid of the provincial committee and with the instructional kit items provided by the hamlet school program.

-7-

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4. In an attempt to determine the possible advantages of assigning one American official in each province as the senior representative of the ambassador and the overall coordinator of the American effort, the US Embassy in Saigon has decided to appoint team chiefs in three selected provinces--Dinh Tuong, Binh Thuan, and Darlac--on a 90-day trial basis. The role of the US team chiefs will be: (a) to function as the representative of the ambassador at the provincial level; (b) to act as chairman of the US provincial committee; (c) to be responsible for the total integration of the US effort in the provinces; (d) to function as the senior US adviser to the province chief; and (e) to be responsible for the preparation of provincial reports involving more than one agency.

The adequacy of the US staffing in each province will be tested to determine optimum size and composition of "full and carefully selected US teams destined to provide ample civil as well as military initiative." A complete and up-to-date report on the overall political, economic, psychological, and military situation in each of the three test provinces will be made at the onset of the test, which is scheduled to begin within the next two weeks. A similar report will be rendered three months after the test begins to determine the results as they can be measured in that length of time.

5. During the period 1-8 May, 494 persons returned to government control under the Chieu Hoi returnee program. This figure included 254 military personnel and 130 political cadre members. Fifty-two individual weapons and 49 grenades were brought in. The number of military returnees was the highest for any week since the program began in 1963.

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II. THIRD COUNTRY DEVELOPMENTS

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B. FRANCE

The GVN ordered the cessation of all activities by the French cultural mission, including broadcasts over Radio Vietnam, and expelled the chief AFP correspondent, Jean Georges. According to the official statement by the GVN Foreign Ministry,

-9-

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these actions were taken because the French position at the SEATO conference was indirectly supporting Communist aggression in South Vietnam.

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D. THIRD COUNTRY AID

1. PHILIPPINES. A bill calling for the appropriation of 25 million pesos (US \$6.58 million) to send an engineering battalion, with necessary security troops, to South Vietnam was introduced into the Philippine Congress. President Macapagal certified the measure as urgent, and a second congressional reading was held the night of 11 May.

Earlier, the bipartisan Philippine Foreign Affairs Consultative Committee, called by Macapagal to discuss a GVN request for further assistance, failed to approve the request. It did acknowledge publicly, however, that a request for a 2,000-man engineering battalion had been received, and re-affirmed the Philippines' traditional policy of standing by its commitments under SEATO and the US-Philippine Mutual Defense treaties. The committee appeared to be opposed more to Macapagal's way of handling the matter than to the general concept of assistance to South Vietnam.

President Macapagal has approved the use of Philippine airports and US bases for staging Australian troops enroute to South Vietnam. This movement through the Philippines will take place 2-16 June.

-10-

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2. NEW ZEALAND. Prime Minister Quat has formally asked for troops from New Zealand. The New Zealand cabinet met on 10 May but made no decision on this request. Following a possible special cabinet meeting later this week, Prime Minister Holyoake may make a public statement, irrespective of any decision on sending troops to Vietnam.

3. JAPAN. In response to President Johnson's Baltimore speech, the Foreign Ministry is studying a plan for large scale financial contributions towards Southeast Asian economic development and the channeling of this assistance through a new aid organization. The latter will be separate from the proposed Asia Development Bank which may be established under UN auspices and to which Japan is scheduled eventually to contribute \$200 million (\$33 million the first year).

4. OTHER. The Netherlands has informed the GVN that it would send a medical team to Vietnam consisting of a medical doctor and several nurses. Ecuador has donated \$2,000 worth of medicines. Canada expects the GVN to request aluminum warehouses and roofing material under Canada's \$5,000,000 aid offer.

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III. DEVELOPMENTS IN THE BLOC

A. INTRA-BLOC RELATIONS

1. Soviet - North Vietnam (DRV) relations this week were again characterized by demonstrations of their increasingly warm association. On the occasion of the VE day celebrations, the DRV leaders sent special greeting to the Soviet leadership expressing confidence that "with the help of Russia and other countries" the Communists would win the Vietnamese war. A mass rally was organized in Hanoi the same day by the USSR-Vietnamese Friendship Association and a reception was held there by the Soviet ambassador, attended by Ho Chi Minh and most of the DRV leadership.

Earlier in the week Hanoi hailed the Soviet response to its National Assembly appeal for support from the parliaments of the world. The Soviet statement fully endorsed Hanoi's four preconditions for a settlement of the Vietnamese problem and also included the flexible DRV formulation that "recognition" of the proposals might form the basis for convening of an international conference "along the pattern" of the Geneva conference. The Chinese reply to the appeal on 20 April omitted any reference to the possibility of a new Geneva conference.

Soviet expressions of support for the DRV during the week was highlighted by Brezhnev's 8 May speech in which he attacked US policy in Vietnam in familiar language and declared the USSR ready to render North Vietnam "increased assistance if necessary." The Soviet ambassador in Hanoi at his VE Day reception emphasized that relations between Moscow and Hanoi were "consolidating and developing from day to day" and that the USSR's pledge to provide the DRV with "necessary assistance" was being carried out "with good results." These remarks of support, however, contrasted with private statements by ranking Soviet officials warning of the dangers of escalation in Vietnam. Notably, party presidium member Shelepin warned that continued US bombings of North Vietnam "will become only the beginning of something bigger."

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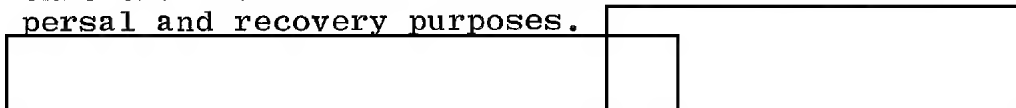
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2. The Chinese continued to attack the Soviet leadership this week, accusing Khrushchev's successors, in a 9 May People's Daily editorial, of being "out and out appeasers...plotting to sell out the basic interests of the people of Vietnam." This was the third such editorial in as many days and pointed up Peiping's current effort to discredit Moscow in the eyes of Hanoi. Although Peiping continued to press a hard line on the war in the South, perhaps attempting to stiffen Hanoi's resolve to fight on, the Chinese broached the subject of negotiations with "imperialists" for the first time in a People's Daily editorial on 9 May and in a Red Flag article by Lo Jui-ching the following day.

The People's Daily editorial contained the statement that negotiations with imperialists are permissible and "even necessary" at the appropriate time as long as the "basic interests of the people" are not violated. The Korean Armistice and the 1939 Soviet-German nonaggression pact were cited as examples of such agreements. The remarks in Red Flag on negotiations appeared intended mainly to answer Soviet charges that the Chinese are intransigent war maniacs willing--if not eager--to carry the fight to the last Vietnamese. The main emphasis of this second article fell on the dangers involved in dealing with "perfidious" imperialist powers and on the need for extreme caution and firm resolution in such circumstances.

B. MILITARY DEVELOPMENTS

1. Recent photography revealed four MIG-15s at Haiphong/Cat Bi airfield. This is the first time jet fighters have been noted at an airfield in the DRV other than Phuc Yen. However, construction of revetments for jet aircraft has been detected recently at five airfields in North Vietnam, including Haiphong/Cat Bi, suggesting that the DRV intends to use these bases for dispersal and recovery purposes.



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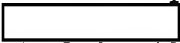
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Photos from the same mission also showed 48 MIGs, including three being assembled, at Phuc Yen Airfield. These bring the jet fighter air order of battle in the DRV to at least 57 MIG 15/17s, forty-four are believed to have come from Communist China, while the remainder probably arrive from the Soviet Union by rail through China.

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2. There are no indications that surface-to-air missiles (SAMS) have yet arrived in the DRV. Photography  indicates that all six launch revetments at the Hanoi SAM site are near completion. No new construction has been noted at the central guidance revetment. This area appeared approximately 50 per cent complete in  photography. No new developments were noted in the perimeter and inner service roads.

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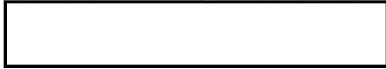
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